

## CHAPTER 5: SECTION 1

### DIAGNOSTIC REPORTS

This Section provides information on various diagnostic reports prepared by the State Controller's Office. These reports are prepared on a monthly basis and are available on INFOPAC. They are used in the quarterly reporting process and for assuring that agencies have completed critical year end closing processes. The reports are presented in the following subsections in report number order. The report title is the way it appears on the INFOPAC and Document Direct indices.

#### 1.1 DOAC Abnormal Balances Report DOACABN1

**Purpose of Report:** This report lists items that appear to be misclassified on COFRS based on the account balance, type of account and fund in which they are recorded. Agency personnel are to review the balances listed and determine if corrections are required. This report provides information only when the total posted to an account results in an abnormal balance.

**Sample report format:**

REPORT ID: DOACABN1 (STATE CONTROLLER'S OFFICE FOCXEC: DOACABN1.FEX)						
AGENCY: (A)						
ABNORMAL BALANCES REPORT						
FISCAL YEAR (B) PERIOD (C)						
BASED ON DATA FROM COFRS RUN DATE (D) AND PRINTED ON (E)						
(F)						
FOR AGENCY: (G)						
(H)	(I)	(J)	(K)	(L)	(M)	(N)
AGENCY	FUND	TYPE OF ABNORMALITY	TYPE	ACCOUNT #	ACCOUNT NAME	AMOUNT
---	---	---	---	---	---	---
ZZZ	123	ACCOUNT INCOMPATIBLE W/ FUND	22	2110	WATER AND SEWERAGE SERVICES	397.51
-----						
NOTE: ACCOUNT TYPE 23 BALANCES ARE SHOWN AS TYPE 01 ON THIS REPORT						
NOTE2: CERTAIN BALANCES ON THIS REPORT MAY BE INDICATIONS OF POTENTIAL						
PROBLEMS UNDER GASB 34/35. SEE CHAPTER 9 IN THE FISCAL						
PROCEDURES MANUAL FOR RELATED DEADLINES						

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the three character COFRS agency code.
B	FISCAL YEAR: Indicates the fiscal year for which the report is run.
C	PERIOD: Lists the accounting period for which the report is run.
D	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
E	PRINTED ON: Shows the date the report was printed and made available.
F	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
G	FOR AGENCY: This will contain the name of the agency as shown on the COFRS AGCY table.
H	AGENCY: This column contains the three character agency identification.
I	FUND: This column lists the COFRS fund related to the balance being reported.

Item	Description
J	TYPE OF ABNORMALITY: This column lists an error message describing why the balance is being reported.
K	TYPE: This column shows the COFRS account type for the item being reported.
L	ACCOUNT #: This column lists the COFRS account number being reported.
M	ACCOUNT NAME: This column shows the description for the COFRS account code listed in the previous column.
N	AMOUNT: This column lists the amount being reported as a possible abnormal balance.

Report sort:            Agency  
                             Fund  
                             Type  
                             Account #

How to read  
the report:            All items listed on the report are potential problems. Items listed on the report should be researched and needed corrections made. The agency controller should be ready to fully explain any balances remaining at the end of the fiscal year.

## 1.2 DOAC Department Level Annotations Report For Approp. Fsc DOACANN1

Purpose of Report: This report is to assist agencies in complying with the annotations attached to various appropriations in the Long Bill.

Sample report format:

REPORT ID: DOACANN1 (STATE CONTROLLER'S OFFICE FOCEXEC: RP_OEXR.FEX)						
AGENCY: (A)						
DEPARTMENT LEVEL ANNOTATIONS REPORT FOR APPROPRIATED FUNDING SOURCE CODES						
FISCAL YEAR (B) PERIOD (C)						
BASED ON DATA FROM COFRS RUN DATE (D) AND PRINTED ON (E)						
(F)						
FOR DEPARTMENT: (G)						
(H) SOURCE	(I) RSRC	(J) ACCOUNT NAME	(K) SPENDING AUTHORITY	(L) REVENUE OR FUND BALANCE AUTHORITY	(M) VARIANCE	(N) SPENDABLE AMOUNT/ (EXPENSES)
*****						
*** (O)						
FUNDING SOURCE CODE: (P) FUNDING SOURCE CODE DESCRIPTION: (Q)						
CASH	4400	SVC CHARGES FM OTHERS NONEXMPT	10,000	15,000	5,000	10,000
CASH EXEMPT	EZAA	IC EX GSS INTERNAL	2,000,000	600,000	(1,400,000)	600,000
FEDERAL			100,000	55,000	(45,000)	55,000
GENERAL FUND			75,000	0	0	75,000
EXPENDITURES			0	0	0	(744,000)
TOTAL FUNDING SOURCE CODE: (P)			2,185,000	670,000		(4,000)

Negative number  
Indicates potential  
Problem.

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the first character (agency category code) of the three character COFRS agency code.
B	FISCAL YEAR: Indicates the fiscal year for which the report is run.
C	PERIOD: Lists the accounting period for which the report is run.
D	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
E	PRINTED ON: Shows the date the report was printed and made available.
F	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
G	FOR DEPARTMENT: This will contain the name of the agency category as shown on the COFRS AGCY table.
H	SOURCE: This column indicates whether the amounts reported on each line represents revenues or expenditures. Revenues are identified by Long Bill column. The options for revenues are: CASH CASH EXEMPT FEDERAL GENERAL FUND
I	RSRC: This column lists the COFRS revenue source code in which the revenue is annotated and/or earned.
J	ACCOUNT NAME: This column contains the COFRS description of the revenue source code listed in Column I.
K	SPENDING AUTHORITY: This column shows the spending authority booked to each revenue source code in column I.
L	REVENUE OR FUND BALANCE AUTHORITY: This column reports the amount of earned

Item	Description
	revenue for each revenue source code listed. If the annotations include fund balance spending authority the total amount annotated in revenue source code 9523 is reported as earned revenue.
M	VARIANCE: This column reports the variance between the spending authority in column K and the actual revenue earned in column L.
N	SPENDABLE AMOUNT: For each revenue line this column reports the amount of revenue available for expenditure. The amount of revenue available is the lesser of the spending authority in column K or the revenue in column L. For general fund amounts the amount of spending authority is reported as the spendable amount.  For the expenditure line this column reports the total expenditures booked to the funding source code.  For the total funding source code line this column reports the difference between the revenue available for expenditure and the expenditures.
O	This area displays the COFRS Long Bill Group description from the LBGR table. Each Long Bill Group is a section in the report.
P	FUNDING SOURCE CODE: The three character COFRS funding source code is displayed.
Q	FUNDING SOURCE CODE DESCRIPTION: The description of the three character COFRS funding source code from the FSCT table.

Report sort:                    Agency (Based on the Agency Category)  
                                       Long Bill Group  
                                       Funding Source Code  
                                       Source  
                                       Revenue Source Code

Calculated amounts:         $\text{Variance} = \text{Spending Authority} - \text{Revenue or Fund Balance Authority}$

$\text{Spendable Amount} = \text{Spending Authority or Revenue and/or fund Balance Authority whichever is less.}$

Break total:                    Funding Source Code

How to read the report:        Potential problems are indicated in the report whenever the total by Funding Source Code in the Spendable Amount/(Expenses) Column is negative. The problem is either a possible overexpenditure or an annotation variance. An annotation variance occurs when earned revenues in excess of the amounts annotated are needed to cover expenditures and the total expenditures do not exceed the amount appropriated.

**1.3 DOAC Agency Level Annotations Report For Approp. Fsc  
DOACANN2**

Purpose of Report: This report is to assist agencies in complying with the annotations attached to various appropriations in the Long Bill. This report is identical to DOACANN1 except that it is displayed at the individual agency versus department wide level. The primary sort is by the three character COFRS agency code. This report needs to be assessed in combination with the DOACANN1 to determine if a particular variance represents a compliance issue.

## 1.4 DOAC Capital Capital Construction Expenditures Compared to Budget DOACCCM1

Purpose of Report: This report is used to identify shortfalls in earning revenue on capital construction projects with multiple revenue sources.

Sample report format:

REPORT ID: DOACCCM1 (STATE CONTROLLERS OFFICE FOCEXEC: RP_MIX.FEX)						
AGCL: (A)						
CAPITAL CONSTRUCTION EXPENDITURES SPENT COMPARED TO BUDGET						
BASED ON DATA FROM COFRS RUN DATE (B) AND PRINTED ON (C)						
(D)						
(E)	(F)	(H)	(I)	(J)	(K)	(L)
FSC	FSC_NAME	GCF	BUDGET	EXPENSE	BUDGET PERCENT	EXPENSE PERCENT
---	-----	---	-----	-----	-----	-----
NON APPROPRIATED FUNDS (G)						
001	NON APPROPRIATED	W	203,064	125,000	61.9	100.0
		X	125,000	0	38.1	.0
CONTROLLED MAINTENANCE (G)						
PEB	M403 FIRE PROTECTION SYS	X	28,293	1,035	100.0	100.0
TAG	M603 R/R FLOORING BVCF P1	X	1,417	0	100.0	.0
TEA	M701 FIRE PROTECT SYS ACF	X	10,554	0	100.0	.0
TEE	M702 PRKG LOTS CTCF&WOMEN	X	656,281	242,534	100.0	100.0
TIA	M80016 R/R SEC COMPONENT	X	284,715	2,333	100.0	100.0
CAPITAL CONSTRUCTION PROJECTS (G)						
PLE	P9568 TRINIDAD	W	917,000	717,600	9.5	22.9
		X	8,734,861	2,413,494	90.5	77.1
PLO	P9573 FREMONT BEDS	X	794,616	32,402	100.0	100.0
VAI	P0108 FORT LYON ACQ/RENOV	F	5,880,400	0	47.8	.0
		W	6,413,441	979,050	52.2	100.0

Expense percent greater than the budget percent for the capital construction fund exempt funding (X) indicates a potential revenue problem.

The following table describes the information provided on the report:

Item	Description
A	AGCL: Displays the two character COFRS agency class code from the AGCY table.
B	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
C	PRINTED ON: Shows the date the report was printed and made available.
D	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
E	FSC: This column displays the funding source code of the capital construction project.
F	FSC NAME: This column displays the description of the funding source code displayed in the previous column.
G	This line displays, as a section heading, the description of the COFRS long bill group. The various funding source codes are reported within Long Bill Group.
H	GCF: This column indicates the type of revenue funding the project. Valid values are: W = Cash funds exempt C = Cash funds non exempt F = Federal funds X = Capital construction funds exempt
I	BUDGET: The current fiscal year appropriation for each project is shown by type of revenue.
J	EXPENSES: This column shows the total fiscal year expenses for the project allocated to each type of revenue. The expenses are allocated to federal, cash exempt and cash sources based the amount of revenue earned in each source. The remaining expenses are allocated to the capital construction fund exempt funding source.

Item	Description
K	BUDGET PERCENT: This column shows budget by type of revenue as a percent.
L	EXPENSE PERCENT: This column shows the fiscal year expense allocation by type of revenue as a percent.

Report sort:            Agency Class  
                         Long Bill Group  
                         Funding Source Code  
                         Type of Revenue

Calculated amounts:    Expenses = allocated expenses based on the amount of revenue earned in each revenue type within each funding source code.

Budget Percent = Budget in column I expressed as a percent of total budget for the funding source code.

Expense Percent = Expenses in column J expressed as a percent of the total expense for the funding source code.

How to read the report:            A potential problem with earning revenue on a project is indicated when the expense percent is greater than the budget percent for a capital construction fund exempt line. This indicates that expenses may be disproportionately funded by the capital construction fund. The project records should be analyzed for unearned revenues or reasons for not billing and collecting revenues in the same proportion as the budget.

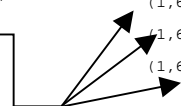
## 1.5 DOAC Cap Proj Expend Compared To Transfers To/Fr Plant Funds DOACCPE1

**Purpose of Report:** This report is used by higher education institutions to determine if appropriated capital construction expenditures and revenues are in balance between the state capital construction fund (461) and the institution's plant funds on COFRS.

**Sample report format:**

REPORT ID: DOACCPE1 (STATE CONTROLLER'S OFFICE FOCEXEC: DOACCPE1.FEX)						
AGENCY: (A)						
CAPITAL PROJECT EXPENDITURES COMPARED TO TRANSFERS TO/FROM PLANT FUNDS						
BASED ON DATA FROM COFRS RUN DATE (B) AND PRINTED ON (C)						
FISCAL YEAR (D) - PERIOD (E)						
(F)						
(G)	(H)	(I)	(J)	(K)	(L)	(M)
BOARD	AGENCY	AGENCY NAME	FUND	TYPE	ACCT	ACCOUNT NAME
-----	-----	-----	----	----	-----	-----
GZ	GZA	STATE UNIVERSITY CAMPUS 1	371	31	EBGD	OT EX DOHE FM DOHE/CAP CONSTRN
			461	22		
					2310	PURCHASED CONSTRUCTION SVCS
					2311	CONSTRUCTION CONTRACTOR SVCS
					2312	CONSTRUCTION CONSULTANT SVCS
					2610	ADVERTISING
					6280	OTHER CAP EQUIPMENT-DIR PURCH
				31	9400	HE DUPLIC BOOKING AUG REVENUE
						(12,604,822.24)
						178,863.57
						12,862,210.57
						1,262,482.71
						2,010.61
						353,600.21
						(2,054,345.52)
		TOTAL STATE UNIVERSITY CAMPUS 1				0.00
	GZB	STATE UNIVERSITY CAMPUS 2	371	31	EBGD	OT EX DOHE FM DOHE/CAP CONSTRN
			461	22		
					2253	RENTAL OF EQUIPMENT
					2310	PURCHASED CONSTRUCTION SVCS
					2311	CONSTRUCTION CONTRACTOR SVCS
					2312	CONSTRUCTION CONSULTANT SVCS
					2610	ADVERTISING
					2810	FREIGHT
					2820	OTHER PURCHASED SERVICES
					3126	REPAIR & MAINTENANCE SUPPLIES
					3128	NONCAPITALIZED EQUIPMENT
					GOVS	ADA AMOUNT FROM GOVS OFFICE
				31	9400	HE DUPLIC BOOKING AUG REVENUE
					ERWB	OT NE DOHE FM DOHE/CMTF
						(2,111,609.80)
						2,150.00
						152,945.78
						618,530.96
						899,964.16
						2,371.20
						49.60
						23,483.60
						1,280.13
						418,770.67
						12,924.00
						(20,860.30)
						(1,612,719.00)
		TOTAL STATE UNIVERSITY CAMPUS 2				(1,612,719.00)
		TOTAL BOARD GZ				(1,612,719.00)

Total should be zero unless the institution has controlled maintenance



The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the two character COFRS agency class code from the AGCY table. This represents an individual higher education board.
B	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
C	PRINTED ON: Shows the date the report was printed and made available.
D	FISCAL YEAR: Indicates the fiscal year for which the report is run.
E	PERIOD: Lists the accounting period for which the report is run.
F	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
G	BOARD: This column displays the COFRS agency class that identifies the higher education board.
H	AGENCY: This column displays the COFRS agency code for the individual higher education institution.



Item	Description
I	AGENCY NAME: This column displays the agency name for the higher education institution.
J	FUND: This column shows the COFRS fund number. On this report only two funds are reported, the 371 and 461.
K	TYPE: This column indicated the COFRS account type being reported. Revenue is an account type 31 and expenses are account type 22.
L	ACCT: This column displays the COFRS account number being reported.
M	ACCOUNT NAME: This column displays the COFRS account name associated with the COFRS account number.
N	ACCOUNT BALANCE: This column shows the balance of the reported COFRS account numbers.

Report sort:                    Agency Class (Higher Education Board)  
                                      Agency (Higher Education Institution)  
                                      Fund  
                                      Account type  
                                      Account

Break total:                    Agency (Higher Education Institution)  
                                      Agency Class (Higher Education Board)

Report Selection:            Revenue source code EBGD for higher education in fund 371 and 333.  
                                      Expenses and revenues for higher education in fund 461.

How to read  
the report:                    This report compares the amount of revenue recorded in fund 371 by higher education institutions from capital construction fund transfers, revenue source code EBGD, to expenses net of augmenting revenues recorded in the 461 fund. The report, unless controlled maintenance trust fund transfers are involved, should zero at both the institution and board levels. If controlled maintenance trust fund transfers are involved the balance at both the institution and board levels should equal the amount posted to transfer revenue source code ERWB in fund 461. Other exceptions to balancing may exist and should be discussed with your field accounting specialist in the SCO.

## 1.6 DOAC Matching Object Codes Between Gov Funds And GFAAG DOACGFA1

**Purpose of Report:** This report provides information to assist in reconciling the expenses recorded in governmental funds that should be reconciled for financial statement purposes with the amount actually capitalized in fund 471.

**Sample report format:**

REPORT ID: DOACGFA1 (STATE CONTROLLER'S OFFICE FOCXEC: DOACGFA1.FEX)						
AGENCY: (A)						
REPORT OF MATCHING OBJECT CODES BETWEEN GOVERNMENTAL FUNDS AND GFAAG						
FISCAL YEAR (B) PERIOD (C)						
BASED ON DATA FROM COFRS RUN DATE (D) AND PRINTED ON (E)						
(F)						
(G)	(H)	(I)	(J)	(K)	(L)	(M)
ACCT	ACCOUNT NAME	AGY	FUND	GOVERNMENTAL FUND	FUND 471 GFAAG	TOTAL
2311	CONSTRUCTION CONTRACTOR SVCS	XXX	100	6,000.00	.00	6,000.00
			222	42,000.00	.00	42,000.00
			461	6,000,000.00	.00	6,000,000.00
TOTAL ACCOUNT 2311				6,048,000.00	.00	6,048,000.00
6130	LAND IMPROVEMENTS-DIR PURCHASE	XXX	100	25,000.00	.00	25,000.00
			471	.00	(280,000.00)	(280,000.00)
		XXY	461	200,000.00	.00	200,000.00
TOTAL ACCOUNT 6130				225,000.00	(280,000.00)	(55,000.00)
6210	IT PC'S - DIRECT PURCHASE	XXX	100	26,000.00	.00	26,000.00
			471	.00	(46,000.00)	(46,000.00)
		XXY	461	22,000.00	.00	22,000.00
TOTAL ACCOUNT 6210				48,000.00	(46,000.00)	2,000.00
6280	OTHER CAP EQUIPMENT-DIR PURCH	XXX	100	74,000.00	.00	74,000.00
			471	.00	(1,185,000.00)	(1,185,000.00)
6280	OTHER CAP EQUIPMENT-DIR PURCH	XXY	222	11,000.00	.00	11,000.00
			461	1,100,000.00	.00	1,100,000.00
TOTAL ACCOUNT 6280				1,185,000.00	(1,185,000.00)	0.00
TOTAL DEPARTMENT X				7,506,000.00	(1,511,000.00)	5,995,000.00

The totals for each object code and for the department should be zero. Non-zero totals indicate that a entry must be prepared to capitalize the amount or that the amount should be transferred to another object code. In this example only object code 6280 is ok.

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the first character (agency category code) of the three character COFRS agency code.
B	FISCAL YEAR: Indicates the fiscal year for which the report is run.
C	PERIOD: Lists the accounting period for which the report is run.
D	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
E	PRINTED ON: Shows the date the report was printed and made available.
F	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
G	ACCT: This column displays the COFRS account number being reported.
H	ACCOUNT NAME: This column displays the name of the COFRS account number.
I	AGY: Displays the three character COFRS agency code from the AGCY table. This represents the agency being reported.

Item	Description
J	FUND: This column shows the COFRS fund number.
K	GOVERNMENTAL FUND: This column shows the amount for agency fund combination within a reported object code.
L	FUND 471 GFAAG: This column shows the amount capitalized for financial reporting purposes for each object code being reported.
M	TOTAL: This column shows the total of the GOVERNMENTAL FUND column and the FUND 471 GFAAG column.
N	TOTAL ACCOUNT: This line provides a total of each column the object code being reported. It will only appear on the report if the object code has multiple agency/fund combinations being reported.

Report sort:            Agency Category  
                             Object Code  
                             Agency Code  
                             Fund

Report selection:    Object codes in governmental funds identified as representing capitalizable expenses for financial statement reporting purposes.

How to read  
the report:            The report should show a zero balance in the TOTAL column for each object code reported. The line for the department also needs to zero. Amounts in these object codes that should not be capitalized for financial statement purposes should be transferred to a non-capitalizable object code (3128 or 3131).

## 1.7 DOAC Budget To Actual By Dept, Agy, And Long Bill Line Item DOACOEL1

Purpose of Report: This report shows appropriated Long Bill line items that have expenditures exceeding the spending authority.

Sample report format:

REPORT ID: DOACOEL1 (STATE CONTROLLERS OFFICE FOCEXEC: RP_OEXL.FEX)							
AGENCY: (A)							
BUDGET TO ACTUAL BY DEPARTMENT AND LONG BILL LINE ITEM							
BASED ON DATA FROM COFRS RUN DATE (B) PRINTED ON (C)							
FISCAL YEAR (D) PERIOD (E) FOR (F)							
(G)							
*** OVEREXPENDED LINES ONLY ***							
(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
LBLI	LONG BILL LINE ITEM	LEGISLATIVE APPROPRIATION	STATUTORY OR CUSTODIAL APPROPRIATION	RESTRICTED APPROPRIATION	FINAL SPENDING AUTHORITY	EXPENDITURES	(OVER) UNDER EXPENDED
RECREATION SUBPROGRAM (P)							
02934	OPERATING EXPENSES	66,580	0	(66,580)	0	28,501	(28,501)
03012	CONTRACT SERVICES	235,610	0	(235,610)	0	110,954	(110,954)

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the single character COFRS agency category code from the AGCY table. This represents the department being reported.
B	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
C	PRINTED ON: Shows the date the report was printed and made available.
D	FISCAL YEAR: Indicates the fiscal year for which the report is run.
E	PERIOD: Lists the accounting period for which the report is run.
F	FOR : This will contain the agency name as shown on the COFRS AGCY table.
G	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
H	LBLI: This column shows the COFRS Long Bill line reference number.
I	LONG BILL LINE ITEM: This column provides the Long Bill line item description per the LBLR table.
J	LEGISLATIVE APPROPRIATION: This is the appropriation from the Long Bill plus special and supplemental bills.
K	STATUTORY OR CUSTODIAL APPROPRIATION: This is the amount resulting from statutory or custodial spending authority.
L	RESTRICTED APPROPRIATION: Any amounts restricted on appropriations are reported in this column.
M	FINAL SPENDING AUTHORITY: This a calculated total from columns J + K - L
N	EXPENDITURES: This column reports all expenditures made against the reported Long Bill line.
O	(OVER) UNDER EXPENDED: This is a calculated total from columns M - N
P	This line displays the COFRS Long Bill group description from the LBGR table. The report is split into sections by the Long Bill group.

Report Sort:	Agency Category Long Bill Group Long Bill Line
Report selection:	The report selects only Long Bill lines that have expenditures greater than the final spending authority.
How to read the report:	All items on the report indicate a potential statutory overexpenditure that must be addressed by the department. See Chapter 3, Section 1 for more detail on appropriation transfers and overexpenditures.

## 1.8 DOAC Budget To Actual By Long Bill Grp/Fund Source Cd Dept DOACOEX1

**Purpose of Report:** This report shows expenditures and earned revenues by type of revenue at the funding source code and Long Bill group code levels. It is used to identify potential overexpenditures caused by expenditures exceeding spending authority and/or earned revenues.

**Sample report format:**

REPORT ID: DOACOEX1 (STATE CONTROLLERS OFFICE FOCXEC: RP_OEXF1.FEX)						
AGENCY: (A)						
BUDGET TO ACTUAL BY LONG BILL GROUP AND FUNDING SOURCE CODE						
BASED ON DATA FROM COFRS RUN DATE (B) AND PRINTED ON (C)						
FOR (D) FISCAL YEAR (E) PERIOD (F)						
(G)						
(H)	(I)	(J)	(K)	(L)	(M)	(N)
FSC	FSC_NAME	SOURCE	FINAL SPENDING AUTHORITY	EXPENDITURES	(OVER)/UNDER EXPENDED	ACCRUED REVENUE/ FUND BALANCE AUTHORITY
(O)						
ACCURED REVENUE OVER/(UNDER) EXPENDITURES						
INFORMATION SERVICES (P)						
OBA INFO/ARCHIVAL SVCS						
	CASH EX		314,951	166,991	147,960	145,772
	CASH		87,370	82,951	4,419	82,951
	GENERAL		550,446	263,456	286,990	0
TOTAL GROUP AAA (Q)						
			952,767	513,398	439,369	228,723
						(21,219)
MATERIALS CERTIFICATION (P)						
PNE PERSONAL SERVICES						
	FEDERAL		202,840	271,569	(68,729)	271,569
	CASH EX		98,501	191,307	(92,806)	114,651
	CASH		1,373,297	632,997	740,300	836,326
	GENERAL		80,402	42,884	37,518	0
PNH OPERATING EXPENSES						
	FEDERAL		556,080	283,795	272,285	283,795
	CASH		113,910	49,730	64,180	81,596
TOTAL GROUP ABA (Q)						
			2,425,030	1,472,282	952,748	1,587,937
						158,539
GENERAL ADMINISTRATION (P)						
QGO GENERAL ADMINISTRATION						
	FEDERAL		3,773,798	1,553,887	2,219,911	1,553,887
	CASH EX		3,898,398	3,898,398	0	3,927,872
	CASH		116,152	116,152	0	116,152
	GEN EX		0	100,000	(100,000)	0
	GENERAL		5,873,002	5,873,002	0	0
TOTAL GROUP ACA (Q)						
			13,661,350	11,541,439	2,119,911	5,597,911
						29,474
*TOTAL AGCT (A)						
			17,039,147	13,527,119	3,512,028	7,414,571
						166,794

A negative amount for the TOTAL GROUP line may indicate an overexpenditure problem.

Expenses allocated to GEN EX (general fund exempt) without spending authority indicates a possible overexpenditure.

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the single character COFRS agency category code from the AGCY table. This represents the department being reported.
B	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
C	PRINTED ON: Shows the date the report was printed and made available.
D	FOR: This will contain the agency name as shown on the COFRS AGCY table.

Item	Description
E	FISCAL YEAR: Indicates the fiscal year for which the report is run.
F	PERIOD: Lists the accounting period for which the report is run.
G	This section of the report will display one of the following messages depending on when the report is run: “CALENDAR MONTH END BALANCES”, “PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)”, “PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)”, or “PERIOD X CLOSE” where X = the period number.
H	FSC: This column displays the funding source code.
I	FSC NAME: This column displays the description of the funding source displayed in the previous column.
J	Source: This column indicates the type of revenue funding the project. Valid values are: CASH EX = Cash funds exempt CASH = Cash funds non exempt FEDERAL = Federal funds GENERAL = General funds GEN EX = General funds exempt
K	FINAL SPENDING AUTHORITY: Total spending authority by type of revenue as of the end of the period being reported.
L	EXPENDITURES: Total expenditures posted to the funding source code allocated to the type of revenue. See Chapter 3, Section 1.5 for allocation methodology.
M	(OVER)/UNDER EXPENDED: The difference between the final spending authority and expenditures (columns K-L).
N	ACCRUED REVENUE/FUND BALANCE AUTHORITY: The amount of revenue earned to a funding source code by type of revenue.
O	ACCRUED REVENUE OVER/(UNDER) EXPENDITURES: Accrued revenue/fund balance spending authority less expenditures. (Column N – L)
P	This line displays the Long Bill group description from the LBGR table.
Q	TOTAL GROUP: Displays the three character COFRS Long Bill group code.

Report sort:           Agency Category  
                              Long Bill Group  
                              Funding Source Code  
                              Type of Revenue

Break total:           Long Bill Group  
                              Agency Category

How to read the report:           This report can point out a number of potential problems. If the total at the funding source code or Long Bill group in the (OVER)/UNDER EXPENDED column is negative an overexpenditure exists at one or more Long Bill lines within the funding source code.

If expenditures are allocated to the GEN EX revenue type with no spending authority it indicates that an overexpenditure has occurred.

If the total in the ACCRUED REVENUE OVER/(UNDER) EXPENDITURES at the funding source code level or the Long Bill group level is negative, it indicates a possible overexpenditure due to an underearning of revenue.

**1.9 DOAC Budget To Actual By Long Bill Grp/Fund Source Cd Class  
DOACOEX2**

This report is identical to DOACEX1 except that it is sorted at a lower level, COFRS agency class code, so that all data is sorted, displayed, and totaled based on the first two characters of the COFRS agency code.

**1.10 DOAC Budget To Actual By Long Bill Grp/Fund Source Cd Agency  
DOACOEX3**

This report is identical to DOACEX1 except that it is sorted at a lower level, COFRS agency code, so that all data is sorted, displayed, and totaled based on the three character COFRS agency code.



## 1.11 DOAC Unchanged Account Balances DOACUCH1

**Purpose of Report:** This report provides information on account balances that have not changed between the previous and current fiscal year. This may indicate an update to a year end accrual balance is required or that activity to clear a balance in the current year was not made or made incorrectly.

**Sample report format:**

REPORT ID: DOACUCH1 (STATE CONTROLLER'S OFFICE FOCEXEC: DOACUCH1.FEX)						
AGENCY: (A)						
UNCHANGED ACCT. BALANCES - FISCAL YEARS (B) AND (C) - PERIOD (D)						
BASED ON DATA FROM COFRS RUN DATE (E) AND PRINTED ON (F)						
(G)						
AGENCY: (H)						
(I)	(J)	(K)	(L)	(M)	(N)	
FUND	TYPE	ACCOUNT #	ACCOUNT NAME	FY01 BALANCE	FY02 BALANCE	
----	----	-----	-----	-----	-----	
1XX	01	1343	ALLOWANCE FOR A/R -OTHER	(50.00)	(50.00)	
100	02	2361	INTERFUND PAY -SAME AGENCY	(183,709.72)	(183,709.72)	
	22	4140	DUES AND MEMBERSHIPS	125.00	125.00	
22X	01	1390	INTRAFUND REC -OTHER AGENCIES	45,074.00	45,074.00	
	31	7618	STATE GOVT GRANT/CONT-DOPS	(18,891.00)	(18,891.00)	
	31	7620	STATE GOVT GRANT/CONT-DOR	(32,191.00)	(32,191.00)	
23X	01	1100	OPERATING CASH	235.00	235.00	
260	01	1362	LOANS RECEIVABLE	14,529.20	14,529.20	
7XX	01	1042	RESTR CHECKING -DEPOSITORY	57,064.33	57,064.33	
	01	1060	CERTIFICATES OF DEPOSIT	190,000.00	190,000.00	
9XX	01	1060	CERTIFICATES OF DEPOSIT	10,000.00	10,000.00	

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the three character COFRS agency code from the AGCY table. This represents the agency being reported.
B	Lists the previous fiscal year being report in the format YYYY
C	Lists the current fiscal year in the format YYYY
D	PERIOD: Shows the period of the current fiscal year for which balances are being reported.
E	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
F	PRINTED ON: Shows the date the report was printed and made available.
G	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
H	AGENCY: Displays name of the agency associated with the three character COFRS agency code listed in (A).
I	FUND: This column displays the three character COFRS fund code.
J	TYPE: This column displays the COFRS account type.
K	ACCOUNT #: This column displays the COFRS account number.
L	ACCOUNT NAME: This column displays the name of the COFRS account number.
M	FY01 BALANCE: This column provides the balance for the COFRS agency, fund, account type, account number as of June 30 <sup>th</sup> of the preceding fiscal year.
N	FY02 BALANCE: This column provides the balance for the COFRS agency, fund, account type, account number as of the accounting period being reported for the current fiscal year.

Report Sort:

Agency Code

Fund  
Account Type  
Account #

How to read  
the report:

This report lists COFRS account balances that have not changed between the previous and current fiscal year. Each balance should be researched to determine if the current year balance is correct.

Revenues and expenditures are included in this report so that agencies can determine if an error has occurred such as booking routine accrual entries.

## 1.12 DOAC Transfer Balances (Interfund Transfers-Section 1) DOACXFR1

**Purpose of Report:** The purpose of this report is to match revenue transfer codes to the corresponding expense transfer codes and to show where out-of-balance conditions exist. The report is split into four sections, two sections for interfund transfers and two sections for intrafund transfers. This part of the Fiscal Procedures Manual (FPM) is for **section 1 of the interfund transfers** and shows all interfund transfers except for higher education transfer codes EQGB and EBGD.

Sample report format:

REPORT ID: DOACXFR1 (STATE CONTROLLER'S OFFICE - FOCEXEC DOACXFR1.FEX)										
AGENCY: (A)										
TRANSFER BALANCES - FISCAL YEAR (B) - PERIOD (C)										
BASED ON DATA FROM COFRS RUN DATE (D) AND PRINTED ON (E)										
(F)										
INTERFUND BALANCES FOR: (G)										
(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)			
FUND CATEGORY	AGCY	AGENCY NAME	FUND	TYPE	ACCT	ACCOUNT NAME	AMOUNT			
-----	----	-----	----	----	----	-----	-----			
INTERFUND TRANSFERS - SECTION 1 (P)										
*****										
GENERAL FUND - UNRESTRICTED	ACA	OFFICE OF THE STATE CO	100	31	EAAP	OT NE GSS FM GSS PARKING	(1,000.00)			
	AMA	COLO INFO TECHNOLOGY S	100	31	EAAP	OT NE GSS FM GSS PARKING	(2,000.00)			
OTHER SPECIAL REVENUE FUNDS	AGB	CAPITOL PARKING	519	22	EAAP	OT NE GSS/PARKING TO GSS	3,000.00			
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR MATCHING ACCOUNT EAP							.00			
GENERAL FUND - UNRESTRICTED	AQC	CO ST EMPLOYEE ASSISTA	100	31	EBAB	OT EX GSS FM EMPLOYEE BENEFITS	(6,000.00)			
GROUP BENEFIT PLANS	AQA	EMPLOYEE BENEFITS	913	22	EBAB	OT EX EMPLOYEE BENEFITS TO GSS	5,000.00			
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR MATCHING ACCOUNT EBB							(1,000.00)			
GENERAL FUND - UNRESTRICTED	ACA	OFFICE OF THE STATE CO	100	31	EZVB	IC EX GSS FM DOS	(10,000.00)			
OTHER SPECIAL REVENUE FUNDS	VAA	DEPARTMENT OF STATE	200	22	EZAB	IC EX DOS TO GSS	10,000.00			
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR MATCHING ACCOUNT EZB							.00			
SECTION 1 TOTAL FOR DEPARTMENT A							(1,000.00)			

Report should be 0 on lines beginning "TRANSFER ACCOUNT MATCH..."

Non-zero "TRANSFER ACCOUNT MATCH" lines are a problem.

Non-zero department totals are a problem.

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the single character COFRS agency category code from the AGCY table. This represents the department being reported.
B	FISCAL YEAR: Shows the fiscal year for which balances are reported.
C	PERIOD: Shows the accounting period for which balances are reported.
D	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
E	PRINTED ON: Shows the date the report was printed and made available.
F	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)", "PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
G	INTERFUND BALANCES FOR: Displays the description associated with the single character COFRS agency category code listed in (A).
H	FUND CATEGORY: This list the fund category description from the FCAT table.
I	AGCY: this column displays the three character COFRS agency code.

Item	Description
J	AGENCY NAME: This column displays the agency name of the three character agency code.
K	FUND: This column displays the three character COFRS fund code.
L	TYPE: This column displays the COFRS account type.
M	ACCT: This column displays the COFRS transfer account number being reported.
N	ACCOUNT NAME: This column displays the account name associated with the COFRS transfer account number being reported.
O	AMOUNT: This column displays the total for each agency, fund, account type, account number combination being reported.
P	This line displays the section heading of the report.

Report Sort:                   Agency Category  
                                      Fund Category  
                                      Fund  
                                      Account Type

Selection Criteria:           Interfund transfer account codes, except for EQGB and EBGD, identified as being to or from the Agency being reported.

Grouping:                    Amounts are grouped on the report by the first, second and fourth characters of the account number.

Break totals:                The first, second, and fourth characters of the account number.  
                                      Agency category (department total)

How to read the report:    This report is sorted and grouped such that all expense transfer account numbers are reported with the corresponding revenue transfer account numbers. This is possible because the numbers are defined with a one-to-one match between three of the four characters of both the revenue and expense transfer account numbers. This match is based on the first two characters plus the fourth character of the account number. The report is grouped for each department based on this combination from the account number. Transfers are in balance if the total for each three character combination is zero.

A problem exists if the total line beginning "TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT..." is not zero.

### 1.13 DOAC Transfer Balances (Interfund Transfers-Section 2) DOACXFR1

**Purpose of Report:** The purpose of this report is to match revenue transfer codes to the corresponding expense transfer codes and to show where out-of-balance conditions exist. The report is split into four sections, two sections for interfund transfers and two sections for intrafund transfers. This part of the Fiscal Procedures Manual is for **section 2 of the interfund transfers**. This section applies only to higher education institutions and shows transfers using EQGB as either the object code or revenue source code.

Sample report format:

REPORT ID: DOACXFR1 (STATE CONTROLLER'S OFFICE - FOCEXEC DOACXFR1.FEX)									
AGENCY: (A)									
TRANSFER BALANCES - FISCAL YEAR (B) - PERIOD (C)									
BASED ON DATA FROM COFRS RUN DATE (D) AND PRINTED ON (E)									
(F)									
INTERFUND BALANCES FOR: (G)									
(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	
BD	FUND CATEGORY	AGCY	AGENCY NAME	FUND	TYPE	ACCT	ACCOUNT NAME	AMOUNT	
--	-----	---	-----	----	----	----	-----	-----	
INTERFUND TRANSFERS - SECTION 2 (Q)									
*****									
GF	GENERAL FUND - UNRESTRIC	GFA	CU - REGENTS	100	22	EQGB	OT EX DOHE/STATE APPR TO DOHE	100,000.00	
	HIGHER EDUCATION FUNDS	GFA	CU - REGENTS	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(5,000.00)	
		GFB	CU - BOULDER	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(40,000.00)	
		GFC	CU - COLORADO SPRINGS	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(10,000.00)	
		GFD	CU - DENVER	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(15,000.00)	
		GFE	CU - HEALTH SCIENCE CE	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(30,000.00)	
TRANSFER ACCOUNT MATCH TOTAL FOR BOARD: GF								00	
GG	GENERAL FUND - UNRESTRIC	GGA	STATE BOARD OF AGRICUL	100	22	EQGB	OT EX DOHE/STATE APPR TO DOHE	90,000.00	
	HIGHER EDUCATION FUNDS	GGA	STATE BOARD OF AGRICUL	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(5,000.00)	
		GGB	COLORADO STATE UNIVERS	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(50,000.00)	
		GGH	FORT LEWIS COLLEGE	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(15,000.00)	
		GGJ	UNIVERSITY OF SOUTHERN	310	31	EQGB	OT EX DOHE FM DOHE/STATE APPRO	(20,000.00)	
TRANSFER ACCOUNT MATCH TOTAL FOR BOARD: GG								00	
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR MATCHING ACCOUNT EQB								00	
SECTION 2 TOTAL FOR DEPARTMENT G								00	
								00	

Non-zero amounts at any level are a problem.

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the single character COFRS agency category code from the AGCY table. This represents the department being reported.
B	FISCAL YEAR: Shows the fiscal year for which balances are reported.
C	PERIOD: Shows the accounting period which balances are reported.
D	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
E	PRINTED ON: Shows the date the report was printed and made available.
F	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)",

Item	Description
	"PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
G	INTERFUND BALANCES FOR: Displays the description associated with the single character COFRS agency category code listed in (A).
H	BD: This column displays the two character agency category identifying the higher education board.
I	FUND CATEGORY: This list the fund category description from the FCAT table.
J	AGCY: This column displays the three character COFRS agency code.
K	AGENCY NAME: This column displays the agency name of the three character agency code.
L	FUND: This column displays the three character COFRS fund code.
M	TYPE: This column displays the COFRS account type.
N	ACCT: This column displays the COFRS transfer account number being reported.
O	ACCOUNT NAME: This column displays the account name associated with the COFRS transfer account number being reported.
P	AMOUNT: This column displays the total for each agency, fund, account type, account number combination being reported.
Q	This line displays the section heading of the report.

Report Sort:                    Agency Class (Higher Education Board)  
                                      Fund Category  
                                      Fund  
                                      Account Type

Selection Criteria:            Agency Category = G  
                                      Transfer Account Number = EQGB

Grouping:                      Agency Class (Higher Education Board)

Break totals:                   Agency Class (Higher Education Board)  
                                      Agency Category (department total)

How to read the report:      This report matches by higher education board the balances in transfer code EQGB (object code or revenue source code). Code EQGB is used to book the transfer of state appropriation from fund 100 to the higher education discrete fund 310. Transfers are in balance if the total is zero at the higher education board level.

A problem exists if the total line beginning "TRANSFER ACCOUNT MATCH TOTAL FOR BOARD..." is not zero.

## 1.14 DOAC Transfer Balances (Intrafund Transfers Section 1) DOACXFR1

**Purpose of Report:** The purpose of this report is to match revenue transfer codes to the corresponding expense transfer codes and to show where out-of-balance conditions exist. The report is split into four sections, two sections for interfund transfers and two sections for intrafund transfers. This part of the Fiscal Procedures Manual is for **section 1 of the intrafund transfers** and shows the balance of intrafund transfers except those that are internal to or between institutions of higher education.

Sample report format:

REPORT ID: DOACXFR1 (STATE CONTROLLER'S OFFICE - FOCEXEC DOACXFR1.FEX)									
AGENCY: (A)									
TRANSFER BALANCES - FISCAL YEAR (B) - PERIOD (C)									
BASED ON DATA FROM COFRS RUN DATE (D) AND PRINTED ON (E)									
(F)									
INTRAFUND BALANCES FOR: (G)									
(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)		
FUND CATEGORY	AGCY	AGENCY NAME	FUND	TYPE	ACCT	ACCOUNT NAME	AMOUNT		
-----	----	-----	----	----	-----	-----	-----		
INTRAFUND TRANSFERS - SECTION 1 (P)									
*****									
GENERAL FUND - UNRESTRICTED	AAA	DOP - EXECUTIVE DIRECT	100	31	ABFP	OT EX GSS FM DPHE	(300.00)		
GENERAL FUND - UNRESTRICTED	FAA	DEPT OF PUB HLTH & ENV	100	22	ABAP	OT EX DPHE TO GSS	300.00		
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR FUND CATEGORY G1							.00		
GENERAL FUND - UNRESTRICTED	FAA	DEPT OF PUB HLTH & ENV	100	22	ABFB	OT EX WATER QUALITY TO DPHE	150,000.00		
				31	ABFB	OT EX DPHE FM WATER QUALITY	(150,000.00)		
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR FUND CATEGORY G1							.00		
TOBACCO LITIGATION SETTLEMEN	FAA	DEPT OF PUB HLTH & ENV	13M	31	ABWH	OT EX DPHE FM TOBACCO SETTLEMT	(200,000.00)		
TOBACCO LITIGATION SETTLEMEN	FLA	HEALTH-PREVENTION	13V	31	ABWH	OT EX DPHE FM TOBACCO SETTLEMT	(1,000,000.00)		
			434	31	ABWH	OT EX DPHE FM TOBACCO SETTLEMT	(100,000.00)		
TOBACCO LITIGATION SETTLEMEN	WBA	TREASURY - OPERATING	430	22	ABFH	OT EX TOBACCO SETTLEMT TO DPHE	1,300,000.00		
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR FUND CATEGORY R6							.00		
HIGHWAYS	FAA	DEPT OF PUB HLTH & ENV	406	31	ANWB	HU EX DPHE FM DOT/HUTF	(1,250,000.00)		
HIGHWAYS	WBA	TREASURY - OPERATING	406	22	ANFB	HU EX DOT/HUTF TO DPHE	1,250,000.00		
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR FUND CATEGORY R2							.00		
SECTION 1 TOTAL FOR DEPARTMENT F							.00		

Report must zero for each

Report must  
zero for each

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the single character COFRS agency category code from the AGCY table. This represents the department being reported.
B	FISCAL YEAR: Shows the fiscal year for which balances are reported.
C	PERIOD: Shows the accounting period for which balances are reported.
D	RUN DATE: The report includes COFRS data through this date for the accounting period being reported.
E	PRINTED ON: Shows the date the report was printed and made available.
F	This section of the report will display one of the following messages depending on when the report is run: "CALENDAR MONTH END BALANCES", "PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)",

Item	Description
	"PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)", or "PERIOD X CLOSE" where X = the period number.
G	INTRAFUND BALANCES FOR: Displays name of the agency associated with the single character COFRS agency category code listed in (A).
H	FUND CATEGORY: This column displays the fund category description from the FCAT table.
I	AGCY: This column displays the three character COFRS agency code.
J	AGENCY NAME: This column displays the agency name of the three character agency code.
K	FUND: This column displays the three character COFRS fund code.
L	TYPE: This column displays the COFRS account type.
M	ACCT: This column displays the COFRS transfer account number being reported.
N	ACCOUNT NAME: This column displays the account name associated with the COFRS transfer account number being reported.
O	AMOUNT: This column displays the total for each agency, fund, account type, account number combination being reported.
P	This line displays the section heading of the report.

Report Sort:                      Agency Category  
    Fund Category  
    Fund  
    Account Type

Selection Criteria:              Includes all intrafund transfers except those defined as both sides being within or between institutions of higher education.

Grouping:                         Amounts are grouped on the report by the first, second, and fourth characters of the account number.

Break totals:                     The first, second and fourth characters of the account number.  
    Fund Category  
    Agency Category (department total)

How to read the report:        This report is sorted and grouped such that all expense transfer account numbers are reported with the corresponding revenue transfer account numbers. This is possible because the numbers are defined with a one to one match between three of the four characters of both the revenue and expense transfer account numbers. This match is based on the first two characters plus the fourth character of the account number. The report is grouped for each department base on this combination from the account number. Transfers are in balance if the total for each three character combination is zero at the fund category level.

A problem exists if the total line beginning "TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT..." is not zero.



### 1.15 DOAC Transfer Balances (Intrafund Transfers Section 2) DOACXFR1

**Purpose of Report:** The purpose of this report is to match revenue transfer codes to the corresponding expense transfer codes and to show where out-of-balance conditions exist. The report is split into four sections, two sections for interfund transfers and two sections for intrafund transfers. This part of the Fiscal Procedures Manual is for **section 2 of the intrafund transfers** and shows the balance of intrafund transfers that are internal or between institutions of higher education.

Sample report format:

REPORT ID: DOACXFR1 (STATE CONTROLLER'S OFFICE - FOCEXEC DOACXFR1.FEX)							
AGENCY: (A)							
TRANSFER BALANCES - FISCAL YEAR (B) - PERIOD (C)							
BASED ON DATA FROM COFRS RUN DATE (D) AND PRINTED ON (E)							
(F)							
INTRAFUND BALANCES FOR: (G)							
(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
FUND CATEGORY	AGCY	AGENCY NAME	FUND	TYPE	ACCT	ACCOUNT NAME	AMOUNT
-----	----	-----	----	----	----	-----	-----
INTRAFUND TRANSFERS - SECTION 2 (P)							
*****							
HIGHER EDUCATION FUNDS	GGB	COLORADO STATE UNIVERS	310	31	AAGB	OT NE DOHE INSTIT INTERNAL	(296,512.00)
			320	22	AAGB	OT NE DOHE INSTIT INTERNAL	296,783.39
			329	31	AAGB	OT NE DOHE INSTIT INTERNAL	(271.39)
TOTAL FOR AGENCY GGB							.00
HIGHER EDUCATION FUNDS	GGH	FORT LEWIS COLLEGE	329	31	AAGB	OT NE DOHE INSTIT INTERNAL	(1,000.00)
TOTAL FOR AGENCY GGH							(1,000.00)
HIGHER EDUCATION FUNDS	GGJ	UNIVERSITY OF SOUTHERN	310	22	AAGB	OT NE DOHE INSTIT INTERNAL	1,000.00
TOTAL FOR AGENCY GGJ							1,000.00
TRANSFER ACCOUNT MATCH TOTAL WITHIN BOARD GG							0.00
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR FUND CATEGORY E1							0.00
HIGHER EDUCATION FUNDS	GJD	COMMUNITY COLLEGE OF D	310	22	ABGF	OT EX AHEC CONSTIT LONG BILL	1,832,607.75
TOTAL FOR AGENCY GJD							1,832,607.75
TRANSFER ACCOUNT MATCH TOTAL WITHIN BOARD GJ							1,832,607.75
HIGHER EDUCATION FUNDS	GMA	AURARIA HIGHER EDUCATI	310	31	ABGF	OT EX AHEC CONSTIT LONG BILL	(1,832,607.75)
TOTAL FOR AGENCY GMA							(1,832,607.75)
TRANSFER ACCOUNT MATCH TOTAL WITHIN BOARD GM							(1,832,607.75)
TRANSFER ACCOUNT MATCH TOTAL WITH OTHER DEPARTMENT FOR FUND CATEGORY E1							0.00
SECTION 2 TOTAL FOR DEPARTMENT G							0.00

Transfer, other than with AHEC, must zero at both the board and fund category levels.

Transfers between AHEC and institutions must zero at fund category level.

Department total

The following table describes the information provided on the report:

Item	Description
A	AGENCY: Displays the single character COFRS agency category code from the AGCY table. This represents the department being reported.
B	FISCAL YEAR: Shows the fiscal year for which balances are reported.
C	PERIOD: Shows the accounting period for which balances are reported.
D	RUN DATE: The report includes COFRS data through this date for the accounting period being

Item	Description
	reported.
E	PRINTED ON: Shows the date the report was printed and made available.
F	This section of the report will display one of the following messages depending on when the report is run: “CALENDAR MONTH END BALANCES”, “PRECLOSING BALANCES (SECOND THURSDAY PRIOR TO CLOSE)”, “PRECLOSING BALANCES (MONDAY PRIOR TO CLOSE)”, or “PERIOD X CLOSE” where X = the period number.
G	INTERFUND BALANCES FOR: Displays name of the agency associated with the single character COFRS agency category code listed in (A).
H	FUND CATEGORY: This list the fund category description from the FCAT table.
I	AGCY: This column displays the three character COFRS agency code.
J	AGENCY NAME: This column displays the agency name of the three character agency code.
K	FUND: This column displays the three character COFRS fund code.
L	TYPE: This column displays the COFRS account type.
M	ACCT: This column displays the COFRS transfer account number being reported.
N	ACCOUNT NAME: This column displays the account name associated with the COFRS transfer account number being reported.
O	AMOUNT: This column displays the total for each agency, fund, account type, account number combination being reported.
P	This line displays the section heading of the report.

Report Sort:                    Agency Class  
                                     Fund Category  
                                     Fund  
                                     Account Type

Selection Criteria:            Intrafund transfer codes defined as being within or between institutions of higher education.

Grouping:                      Amounts are grouped on the report by the first, second and fourth characters of the account number.

Break totals:                   Agency class (higher education board)  
                                     Fund Category  
                                     Agency category (department total)

How to read the report:      This report is sorted and grouped such that all expense transfer account numbers are reported with the corresponding revenue transfer account numbers. This is possible because the numbers are defined with a one to one match between three of the four characters of both the revenue and expense transfer account numbers. This match is based on the first two characters plus the fourth character of the account number. The report is grouped for each department base on this combination from the account number. Except for transfers between institutions and the Auraria Higher Education Center (AHEC), the report should zero at the board level. For transfers between AHEC and institutions the transfers must zero at the fund category level within transfer account codes ABGF and ABGH.

## CHAPTER 5: SECTION 2

### ***PROCEDURES FOR PREPARING ANNUAL EMPLOYEE TRAVEL EXPENSE REPORT***

#### **KEY DATES**

<b>October 1</b>	SCO distributes to agencies Annual Travel Report turnaround forms.
<b>November 7</b>	Completed travel report turnaround forms due back to SCO with distribution of total in-state, total out-of-state, and total out-of-country expenses for <b>state employee</b> travel by source of funds and total vehicle miles driven by state employees broken out between in-state and out-of-state travel and two-wheel drive and four-drive miles.

#### **Travel Reporting Overview:**

CRS 24-30-202(26) requires that “The controller shall make available a report no later than February 1 of each year to the governor, the joint budget committee, and the legislative audit committee regarding the travel expenses of state employees for the prior fiscal year. Such report shall include, but shall not be limited to, an itemized list of the travel expenses of each department including in-state travel, out-of-state travel, and out-of-country travel. The controller shall notify, in the most cost-effective manner available, the governor, the joint budget committee, and the legislative audit committee of the availability of the report and offering to provide copies of the report.”

At the request of the Office of the State Auditor, the Employee Travel Expense report includes information on the number of personal vehicle miles driven by state employees broken out by in-state and out-of-state travel and two-wheel drive and four-wheel drive miles. **Do not provide the dollar amount reimbursed for personal vehicle miles driven.** Methods available for agencies to accumulate this information were provided in State Controller’s Alert #87 issued October 13, 1995.

This report is required by statute and is not related to any reporting requests or requirements issued by the Statewide Travel Management Program.

Travel expenses are recorded in COFRS using object of expenditure codes contained in the object group of expenditures group 30. These object codes include specific codes for both employee and nonemployee travel expenses. Since the statute requires only the reporting of travel expenses incurred by state employees, use of the distinguishing object of expenditure codes is critical for the proper separation of expenses between state employees and nonemployees. If an individual acts in more than one capacity (e.g. employee and witness, employee and juror, student employee and athlete), report only those expenses that individual incurred while traveling in the course of his/her employment as employee expenses. All travel expenses incurred outside the course of employment should be reported as nonemployee expenses.

COFRS object of expenditure codes accommodate the automated separation of employee and nonemployee related expenses used in the preparation of the report. These codes are:

**STATE EMPLOYEE TRAVEL****In- State Travel - State Employees**

- 2510 - In-State Travel
- 2511 - In-State Common Carrier Fares
- 2512 - In-State Personal Travel Per Diem
- 2513 - In-State Personal Vehicle Reimbursement
- 2514 - State Owned Aircraft
- 2515 - State Owned Vehicle Charges
- 2516 - In-State Personal Aircraft Reimbursement

**Out-Of-State Travel - State Employees**

- 2530 - Out-Of-State Travel
- 2531 - Out-Of-State Common Carrier Fares
- 2532 - Out-Of-State Personal Travel Per Diem
- 2533 - Out-Of-State Personal Vehicle Reimbursement

**Out-Of-Country (International) Travel - State Employees**

- 2550 - Out-Of-Country Travel
- 2551 - Out-Of-Country Common Carrier
- 2552 - Out-Of-Country Personal Travel Reimbursement

**NONEMPLOYEE TRAVEL****In-State Travel - Nonemployees**

- 2520 - In-State Travel Nonemployees
- 2521 - In-State Nonemployee - Common Carrier
- 2522 - In-State Nonemployee - Personal Per Diem
- 2523 - In-State Nonemployee - Personal Vehicle Reimbursement
- 2524 - Nonemployee Use Of State Owned Aircraft
- 2525 - Nonemployee Use Of State Owned Vehicles

**Out-Of-State Travel - Nonemployees**

- 2540 - Out-Of-State Travel - Nonemployees
- 2541 - Out-Of-State Nonemployee - Common Carrier Fares
- 2542 - Out-Of-State Nonemployee - Personal Per Diem
- 2543 - Out-Of-State Nonemployee - Personal Vehicle Reimb

**Out-Of-Country (International) Travel - Nonemployee**

- 2560 - Out-Of-Country Travel - Nonemployee
- 2561 - Out-Of-Country Nonemployee - Common Carrier Fares
- 2562 - Out-Of-Country Nonemployee - Personal Travel Reimb

Proper use of these object of expenditure codes is critical to the accuracy of the data and the reliability of the report. Agencies should review their accounting records to assure that all travel expenditures have been properly classified and recorded. Agencies that are using the “generic” object codes 2510, 2530, and

2550 to record their employee travel expenditures may use the “generic” counterparts to record nonemployee travel; 2520, 2540, and 2560. **The use of object of expenditure codes 2513 and 2533 is encouraged to assist in determining the number of personal vehicle miles driven by state employees.**

## EMPLOYEE TRAVEL EXPENSE REPORTING PROCEDURES

### 2.1 Reviewing Accounting Data

Agencies should periodically review all travel related expenditure data to assure that all expenses are properly classified and recorded. The preparation of the annual employee travel report is based on the object of expenditure codes that designate travel expenses according to state employee travel or nonemployee travel. Improper classification and recording will result in agencies having to manually adjust expenses at year end. To assist in this review, the SCO will prepare and distribute preliminary travel expense information showing employee and nonemployee travel expenses by fund and object code. This information will be distributed to the agencies after period 9 close.

### 2.2 Correcting the Accounting Data

Using the preliminary reports, agencies should make correcting entries in COFRS prior to period 13 agency close. Manual adjustments to the final report made by the agency will require an explanation for the change and may need a post closing adjusting entry. (See Exhibit H requirements, Section 5.12.)

### 2.3 Preparation of the Report

After the final close of FY02-03 accounting records, SCO will generate two reports to be distributed to the agencies:

- ♦ A detailed travel expense report by agency. The report will show all agency employee and nonemployee travel related expenditures by fund and object code for the fiscal year as recorded in COFRS. This report is for informational purposes only. This report can be used to identify coding errors.
- ♦ A travel expenditure report that shows **employee travel expenditures only** summarized by in-state, out-of-state, and out-of-country travel. This report should be used as a turnaround document. Agencies should use the report to allocate **total** in-state, out-of-state, and out-of-country employee travel expenses by general, cash/cash exempt, and federal fund sources. These allocations may be made in any manner determined to be reasonable and supportable by the agency so long as the allocation for any source of funds does not exceed the amount of that source of funds authorized in the Long Bill.

Agencies must also calculate and report the number of personal vehicle miles driven by state employees for in-state and out-of-state travel. This information must be reported for two-wheel drive and four-wheel drive miles. This information will be included on the employee only travel expense turnaround report.

The SCO will review and compile the agency turnaround reports, prepare the year end employee travel expense report and reconcile the report to COFRS. The final employee travel expense report will be available no later than February 1.



## CHAPTER 5: SECTION 3

### STATUTORY REPORTING OF OUTSTANDING LOANS AND ADVANCES

#### KEY DATES

**November 28** Due date for State Controller's statutory loan and advance report.

Per CRS 24-75-204, the State Controller must file an annual report of all loans and advances outstanding at the end of the preceding fiscal year. This report must be filed with the Governor, the Joint Budget Committee and the Legislative Audit Committee and is due no later than November 30. The SCO prepares the report based on negative cash balances recorded on COFRS as of final close June 30 and supports the report with approved agency loan or advance applications.

Preparation of loan and advance applications is not solely a year end task, and agencies need to make sure that all loan and advance approvals are current and accurate throughout the year. Agencies need to assess each of their activities' working capital needs and review cash account balances on an on-going basis to identify accounts where an approved loan or advance is or may be required. Applications should be submitted directly to Dottie Relaford in the Field Accounting Services Team (FAST). A loan or advance is not required for cash deficits in fund 100, 310, 461, and 600 (fund 600 is used with the COFRS inventory module).

The following policy and procedures covering loans and advances were contained in a memorandum issued jointly by the State Treasury, OSPB and SCO on February 7, 1997. This section contains updates to that original policy to reflect current conditions.

#### 4.1 Policy Statement

CRS 24-75-203 allows the State Treasurer to make working capital loans to state agencies with the approval of the Governor and the State Controller. The statute also allows the State Controller to authorize interest free working capital advances to state agencies. The use of working capital loans and advances is to be kept at a minimum due to the impact on general fund cash and because of the negative impact on statewide investment earnings.

CRS 24-75-204 requires the State Controller to submit an annual report to the Governor, the Joint Budget Committee, and the Legislative Audit Committee summarizing all outstanding loans and advances. This report is based on deficit cash balances at the close of the preceding fiscal year and is supported by approved loan and advance applications. This report is due no later than November 30 of each year.

In order to comply with the provisions of CRS 24-75-203 & 204, it is the policy of the State Treasurer, State Controller and the Office of State Planning and Budgeting that:

- ♦ Cash must be on deposit with the State Treasurer except where approved by the State Controller and the State Treasurer, or where exempted by the State Constitution.
- ♦ An application for a working capital loan or advance must be submitted and approved for all deficit cash balances unless a specific exemption is granted.

- ♦ Deficit cash balances not supported with an approved working capital loan or advance will constitute the unauthorized use of general fund cash. This unauthorized use may result in interest charges to the state agency with the deficit and may result in other remedies that may include the suspension of activity from the deficit cash account.

The following are commitments made by the State Treasurer, State Controller, and the Office of State Planning and Budgeting to achieve the goal of providing working capital loans and advances to state agencies while minimizing the impact on general fund cash and the loss of investment earnings. We will:

- ♦ Adopt and communicate criteria defining which activities are eligible for a loan and which activities are eligible for an advance.
- ♦ Review the working capital needs of each state agency that requests a working capital loan or advance using information provided by the agency.
- ♦ Prescribe forms and procedures for state agencies to use in reporting their need for and requesting approval of working capital loans and advances.
- ♦ Analyze cash balances on a monthly basis at the fund/agency level unless a lower level review is requested by an agency or deemed necessary by the State Treasurer or the State Controller.
- ♦ Monitor cash balances in the general fund (fund 100), the current unrestricted fund (fund 310), the capital construction fund (fund 461), and the COFRS warehouse inventory fund (fund 600) at the fund level on a statewide basis. Generally, agencies do not need working capital loans or advances for activities in these specifically identified funds; however, if it is determined that an agency is operating in one of these funds and is not in compliance with the statutes or this policy, a loan or advance may be required for that fund/agency combination.
- ♦ Perform post-audit reviews, as necessary, to ensure state agencies are complying with this policy.

#### 4.2 Definition of Terms

The following are definitions of terms used in this policy:

**Deficit Cash Balance** - A negative amount in the COFRS balance sheet account 1100 - Operating Cash at the fund/agency level, or the fund/agency/reporting category level when appropriate, at the close of any fiscal period and/or on an average daily balance level at the end of any calendar month.

**Teaching or Research Activities** - “Teaching” activities are those that include regularly enrolled students of the institution who receive credit toward a degree for participating in this activity. “Research” activities are those that advance the state of knowledge of an academic, vocational, or professional subject being conducted at the institution (testing performed solely for private concerns does not qualify as “research” for the purposes of this policy).

**Primary Purpose** - A significant majority (75% or more) of a fund/agency’s activities by dollar volume are for a particular activity. For example, if 75% of the activity of a fund/agency is for teaching and research then this is the fund’s primary purpose.



Business Enterprise - An activity that is intended to be self sufficient by generating adequate revenues through the sale of a product or a service to cover the associated cost of operations. This is not the TABOR definition of an enterprise.

Self-Maintaining Program - Programs that are intended to generate adequate revenues to support or exceed the expenditures incurred by the program.

#### **4.3 Criteria for Determining Working Capital Loans or Advances**

Cash balances (COFRS account 1100 - Operating Cash) will be evaluated at the fund/agency level unless the agency, the State Treasurer, or the State Controller believes it is necessary to monitor the balances at a fund/agency/reporting category level. A deficit cash balance at the fund/agency level indicates the need for a working capital loan or advance. Considering the primary purpose of the fund, the agency should apply for a working capital loan or advance at the point in time when a deficit occurs. Currently, the State Controller's Office does a monthly internal report to identify deficit cash balances at the close of any fiscal period, and the State Treasurer uses the COFRS CAM02 report to identify cash accounts with average daily balance deficits.

Agencies should have procedures in place to monitor and identify deficit cash balances, so that they can request a working capital loan or advance on a timely basis. The COFRS MCR01 report is the best source to identify cash deficits at the fund/agency level at the close of a fiscal period. The COFRS CAM02 report identifies cash accounts with average daily deficit cash balances at month end. The COFRS CASH table provides daily cash balance information at the most detailed level including the entire account coding string of any cash balance; there is no fund/agency summary on this table. The CAM02 and other reports (GNL02 or GNL04) and the CASH table and other COFRS tables (OLGL) provide this information but in a way that is not user friendly.

Fund/agencies established solely as system clearing funds are not considered a business enterprise activity or a self-maintaining program and should not have continuous deficit cash balances. However, if a clearing fund has a continuous deficit cash balance, the fund to which the cash is ultimately cleared should be evaluated to determine if the clearing fund requires a working capital loan or advance.

State Fiscal Rules, Rule 6-1, requires that agencies make timely deposits of cash to the state treasury unless otherwise exempted by statute or rule. Withdrawal of these funds and subsequent redeposit into a separate checking account, savings account, or another investment shall be done only when authorized in writing by the State Treasurer and the State Controller. This approval is required even if moneys are subject to bond covenants or are eligible for investment pursuant to CRS 23-5-112.

#### **4.4 Working Capital Loans**

CRS 24-75-203(1) allows the State Treasurer to make loans to state agencies upon the written approval of the Governor and the State Controller. The Governor's Office of State Planning and Budgeting provides the approval for the Governor. Interest on loans shall bear interest at the earnings rate calculated monthly by the state treasurer. The State Treasurer calculates and charges interest based on the average daily balance of the cash account during a calendar month, and charges interest to the agency on a quarterly basis. All loans must be reviewed at least annually.

The following activities are eligible for loans:

- ♦ The operation of business enterprises by institutions of higher education when the primary purpose of that enterprise is not teaching or research, and which are, or may be, in competition with private enterprise.
- ♦ Any other self-maintaining program of a state agency that generates its own revenues and which in the judgment of the State Treasurer has the capacity to repay the loan.
- ♦ Any other statutorily authorized loan.
- ♦ Any fund/agency designated as a TABOR enterprise; fund/agency is able to issue revenue bonds and receives less than 10% of annual revenues in grants from Colorado state and local governments.

The answers to the following questions will be included in the evaluation by the State Treasurer, State Controller, and the Office of State Planning and Budgeting in reviewing applications for working capital loans:

- ♦ Does the fund/agency's cash account earn interest?
- ♦ Is the predominate source of a fund's cash maintained on deposit outside of the state treasury?
- ♦ Is the predominate source of a fund's cash on deposit in another fund that is earning interest?
- ♦ Is the activity self-supporting continuing education?

All deficit cash balances in any fund/agency will be considered to be eligible for a working capital loan and the agency may be charged interest by the State Treasurer, unless the agency submits an application and can demonstrate that the activity is eligible for a working capital advance. Any deficit cash balance that exists that is not supported by an approved working capital loan or advance application from an agency may be charged interest as if it were a loan.

#### **4.5 Working Capital Advances**

CRS 24-75-203(2) allows the State Controller to authorize interest free advances to state agencies to provide working capital for certain programs. The statute sets a limit of no more than \$12 million in advances to any one department, institution, or agency. These advances must be reviewed annually and shall be repaid at such time as the State Controller directs.

The statute defines the following activities as eligible for an advance:

- ♦ The operation of a program other than those defined in CRS 24-75-203(1) and discussed in Section 4.4 of this chapter.
- ♦ Federal programs for which federal advances or letters of credit are not available.
- ♦ Any other statutorily authorized advance.

Other factors that will be evaluated by the State Treasurer and the State Controller in reviewing applications for working capital advances include:

- ♦ Is cash designated to support a fund/agency's activity on deposit with the State Treasurer or in another agency pending a distribution/allocation to the fund/agency with the deficit cash balance?
- ♦ Does the fund/agency's cash account earn interest?

#### **4.6 Additional Criteria Guidelines for Institutions of Higher Education**

For higher education governing boards, deficit cash balances will be monitored at the board level. Deficits in individual funds within those boards will not be reviewed for this purpose. If a deficit does occur at the board level, it will require an interest-bearing loan from the state treasury.

#### **4.7 Processing a Loan or Advance Application**

Agencies should prepare loan or advance applications when a fund/agency under their control incurs a cash deficit. The dollar amount of the request should be adequate to cover any existing or potential cash deficit. If a deficit exceeds an approved loan or advance amount, a revised application must be submitted. Failure to submit an application when a deficit has occurred may result in interest charges, and may result in the suspension of activity in the affected fund/agency's cash account.

All loans and advances must be reviewed annually. Thus, applications should be for a period of no more than 12 months. If possible, expiration dates on loans and advances should be other than June 30 to avoid a conflict with year end closing. To ensure adequate review time, applications for the renewal of an existing loan or advance should be submitted one month prior to the expiration date.

If a loan or advance application is for activities that are not federally funded and the request exceeds \$300,000, a 24-month cash flow projection is required as support to the application. If the activity is federally funded and the request exceeds \$1,000,000, a 24-month cash flow projection is required as support to the application. The cash flow analysis should be for the period of the loan or advance plus the subsequent number of months necessary to total 24 months. When there is a mixture of activities within the fund, the nature of the request and the primary purpose of the fund should be considered in determining if a cash flow projection is required.

Cash flow analysis should include a narrative description of the assumptions on which the cash flow is based. The assumptions may include stable, increasing, or decreasing revenue flows, source of revenues, industry trends, stable or unstable expenditure flow, economic trends, etc. At a minimum, the cash flow analysis should show on a monthly basis for 24 months the beginning cash balance, expected receipts and disbursements, and ending cash balance. Receipts and disbursements may be broken out as to the type of receipt (e.g., fees and fines) and to the type of disbursement (e.g., personal and operating).

The application forms included in this section should be used for all requests for working capital loans or advances. There is a standard form to be used for initial requests, revisions and renewals. There is also a quick renewal form that may be used to renew existing loans or advances only when the conditions, other than the period and amount, for that loan or advance have not changed from the prior approved request. Instructions for both forms are also included in this section.

Complete and obtain the necessary signatures on the applications and forward them to Dottie Relaford in the FAST. Once the application has been approved by all required parties a copy will

be returned to you with all signatures. The original will be kept in the State Controller's Office files.

Please contact your field accounting specialist if you have questions regarding this policy or the procedures or forms necessary to apply for a loan or advance.

#### **4.8 Instructions for Completing Application Form**

Each area of the loan and advance application form is identified with a number. Below are instructions for each area of the form, by the number on the form.

- 1) Enter name of the requesting department\agency.
- 2) Enter the beginning date and the end date for the loan or advance being requested. This period may not exceed 12 months.
- 3) Check whether the application is for a loan or an advance.
- 4) Check whether this is an initial request or a renewal. Note if the renewal box is checked, it will be assumed that this new application supersedes any previous application with the same or an overlapping period.
- 5) Enter the dollar amount of the request.
- 6) Enter the COFRS fund number and agency code for the cash account that is the subject of this request.
- 7) Enter any additional COFRS coding that the agency wishes to use to monitor the cash of the fund/agency below the base level. Leave section blank if loan or advance is at the fund/agency level.
- 8) Enter a complete statement describing the activities of the applicable fund/agency and the intended use of the loaned or advanced funds. The description must clearly state the reason for an advance, otherwise all requests will be considered a loan. Attach additional pages if necessary.
- 9) Check either (a), (b), or (c) depending on the nature of the activity and the amount of the request. If required, attach a cash flow projection for a 24 month period beginning with the start date of the application showing at a minimum both the receipts and disbursements of the activity and the change in the cash balance on a month-by-month basis.
- 10) Enter the COFRS coding string you wish the State Treasurer to use to record interest expense on a loan. If pre-printed codes do not meet your needs, please identify your additional coding needs on the form.
- 11) Agency controller or chief financial officer's signature and date.
- 12) Agency executive director or college/university president's signature and date.

#### **4.9 Instructions for Submitting Application Form**

Once the application is completed, send it directly to Dottie Relaford for review. The lower section of the application will be completed during the review and approval process. The FAST will route the application for all appropriate signatures. Once the application is reviewed and approved, the FAST will send a copy of the completed application with all signatures back to the agency and will retain the original application in a central file. If the application is not approved, your field accounting specialist will contact the agency to discuss the reasons for rejection.

#### **4.10 Instructions for Completing Quick Renewal Form**

- 1) Enter Agency Name.
- 2) Enter COFRS agency code.
- 3) Check whether the line is for the renewal of a loan or an advance.
- 4) Enter the COFRS fund number and reporting category code (RPTC) if applicable.
- 5) Enter the beginning date for the loans and/or advances being requested.

- 6) Enter the ending date for the loans and/or advances being requested. This period may not exceed 12 months.
- 7) Enter the dollar amount being requested.
- 8) Enter the date of the original application.
- 9) Check one of the lines depending on the nature of the request. If required, attach a cash flow projection for a 24 month period beginning with the start date of the application showing at a minimum receipts and disbursements of the activity and the change in the cash balance on a month-by-month basis.
- 10) Enter agency controller or chief financial officer's signature and date.
- 11) Enter agency executive director or college/university president's signature and date.

#### **4.11 Instructions for Submitting Quick Renewal Form**

This form may only be used when an agency is requesting that an existing loan and/or advance be renewed. The conditions for the renewal must be the same as the original request. The description of the activity, the COFRS coding strings, and the nature of the request cannot change. The only thing that can change is the loan/advance time period and the dollar amount. The completion of cash flow requirements remains the same.

Once the application is completed, send it to Dottie Relaford for review. The lower section of the application will be completed during the review and approval process. The FAST routes the application for all appropriate signatures. Once the application is reviewed and approved, the FAST sends a copy of the completed application with all signatures back to the agency and retains the original in a central file. If the application is not approved, the field accounting specialist will contact the agency to discuss the reasons for rejection.

## LOAN/ADVANCE APPLICATION FORM

(1) Department/Agency:			(2) Date/Period of Loan/Advance Requested:		
			FROM       /       /       TO       /       /		
(3) LOAN _____ or ADVANCE _____ (check one)			(5) Dollar Amount of Request: \$		
(4) INITIAL _____ or RENEWAL _____ (check one)					
(6) Cash Account: (Required Coding)			(7) Additional Acct Codes:       PROG: _____		
FUND	AGENCY	BS ACCOUNT	REPT CAT: _____ PROJ: _____		
_____	_____	1100	GRANT (GBL): _____		

- (8) Describe activities covered by application and reason for requesting working capital. Applications for **Advances** must include reason request qualifies for advance.

**(9) Cash Flow Projection**

If request is for: (check a, b or c)

- a. ☐ Federally funded activity and request exceeds \$1,000,000 or
- b. ☐ Non-federally funded activity and request exceeds \$300,000, a two-year cash flow projection is required and is attached.
- c. ☐ Neither (a) nor (b), no cash flow projection is required.

- (10) **This section must be completed if application is for a loan:** Interest charges for loans are calculated monthly, based on the account's average daily cash balance and the earnings rate calculated monthly by the State Treasury. Interest charges will be recorded in the following COFRS account coding string.

FUND	AGCY	ORG	SUB ORG	APPR CODE	PROG	OBJ CODE	SUB OBJ	GBL	RPTG CAT
------	------	-----	------------	--------------	------	-------------	------------	-----	-------------

This application is made pursuant to CRS 24-75-203. We certify that this request is for temporary working capital as described above and authorize the charge for interest on loan requests.

---

Agency Controller (11)

Date \_\_\_\_\_

---

Agency Director (12)

Date \_\_\_\_\_

We approve a \_\_\_\_ loan / \_\_\_\_ advance from the Colorado State Treasurer for a dollar amount of \$ \_\_\_\_\_ as described in the application above and subject to the following special conditions:

---

State Controller

Date \_\_\_\_\_

---

Governor (loans only)

Date \_\_\_\_\_

State Treasurer

Date \_\_\_\_\_

## LOAN AND ADVANCE QUICK RENEWAL FORM

Agency Name (1): \_\_\_\_\_

Agency Code (2)	Loan or Advance (3) L    A	COFRS Fund & RPTC (4)	Start Date (5)	End Date (6)	Dollar Amount (7)	Original Date (8)	Cash Flow Projection(9):		
							1 *	2 *	3 *
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

## \* Cash Flow Requirements:

- 1 - Federally funded activity and request exceeds \$1 million.    2 - Non-Federal activity and request exceeds \$300,000.  
 3 - Neither 1 or 2, no cashflow projection required.

This application to renew the identified loans and or advances is made pursuant to CRS 24-75-203. We certify that this request is for temporary working capital as described above and authorizes interest to be charged on loan requests. We certify that no other conditions related to the initial request for these loans and/or advances have changed.

Agency Director (11)	_____	Date	_____	Agency Controller (10)	_____	Date	_____
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We approve the renewal of the indicated loans for the amount of \$ \_\_\_\_\_, and the indicated advances in the amount of \$ \_\_\_\_\_ as described in the application above and subject to the following special conditions:

State Controller	_____	Date	_____	State Treasurer	_____	Date	_____	Governor (loans only)	_____	Date	_____
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## CHAPTER 5: SECTION 4

### PROCEDURES FOR PREPARING QUARTERLY FINANCIAL REPORTS

#### KEY DATES

<b>October 17</b>	First quarter FY03-04 closing.
<b>January 16</b>	Second quarter FY03-04 closing.
<b>April 16</b>	Third quarter FY03-04 closing.

#### 5.1 Quarterly Reporting Overview

CRS 24-30-204 provides for all departments, institutions and agencies to submit a quarterly report of financial information to the State Controller that shall include financial information deemed reasonable and necessary. The following section sets forth the State Controller's policy and guidelines to accomplish the intent of this important law and is amended to incorporate important modifications deemed necessary after review and analysis.

#### 5.2 Policy Statements Related to Quarterly Reporting

Timely and accurate financial reporting is vital for the proper functioning of state government. Such financial information must be available for controllers, program administrators, executive management, legislators and their staff for decision making and planning purposes. It is also recognized that human and data processing resources necessary to provide this information are very limited.

The following policy statements shall apply:

1. This policy applies to all state departments and institutions, including all boards and commissions.
2. Sufficient monthly accruals should be made to update financial records so that management at each department, institution and agency can properly analyze their financial condition and determine that the federal government and other parties owing the state are being properly billed.
3. Each quarterly reporting period should be regarded as an integral part of the fiscal year. Thus, in general, the results for each quarterly period should be based on the accounting principles set forth in the State Fiscal Rules. Expenditures such as salaries, operating expenditures and accruals of expenditures should be allocated to interim periods as they are incurred or, where appropriate, allocated among quarterly periods on the basis of benefit received, time expired, etc. Arbitrary assignment to a quarterly period is not appropriate. Revenues should be allocated to quarterly reporting periods in accordance with generally accepted accounting principles.
4. The state's financial system, COFRS, shall be the system for recording timely and accurate financial data and from which COFRS standard reports shall be prepared and forwarded to the controller in compliance with the reporting requirement of this law.

5. The normally scheduled monthly closing dates for COFRS, usually the second Friday of each month, will not be changed. Delay of the scheduled closing dates, defeats the purpose of providing timely financial information.
6. All state departments and agencies, other than institutions within the Department of Higher Education, are strongly encouraged to use the grants module of COFRS to facilitate accounting and revenue recognition. Use of the module may be mandated should accounting and revenue recognition not be completed as required and departments appear to be overspent.

### **5.3 Guidelines for Quarterly Reporting**

The following guidelines are to be implemented in order to carry out the policy statements set forth above.

1. This guideline applies to all fund types except for agency funds (fund 9xx), and the general full accrual account group (fund 471). For the Department of Higher Education this guideline shall apply only to funds 310, 311, 320-332, 340, 341 and capital construction fund 461.
2. When either appropriation/spending authority (net of restrictions) or estimated annual expenditure or a budget line item (i.e., LBLI) is greater than \$250,000, then appropriate expenditure accruals must be considered. The budget line item is to be analyzed and an expenditure accrual estimate must be recorded if the accrual estimate is at least 4% of the line or exceeds \$1 million. All expenditure driven revenue accruals must be recorded.
3. Other revenue accruals must be completed if the accrual is 4% or more of the annual revenue estimate by funding source code or exceeds \$1 million. Special procedures shall be provided for state agencies acting as a collection agency for significant general purpose revenues and Highway Users' Tax Fund revenues. General purpose revenues include excise taxes, income taxes, estate taxes, insurance taxes, court receipts, severance taxes, pari-mutual racing receipts and gaming taxes normally recorded in the general fund.
4. State agencies with sponsored programs are to timely bill and collect from the sponsoring entities as provided by the State Fiscal Rules.
5. COFRS has modified the "JV" transaction that provides for accrual and reversal of expenditures with offsetting dollar amounts recorded to encumbrance accounts. This capability is vital to properly reflect expenditures and encumbrances at the end of each reporting quarter.
6. Direct billing agencies are to standardize the billing and cut-off dates so that the cost of the various services may be consistently charged and accrued. A standardized schedule of billings will be distributed to all affected agencies by no later than the 7th working day of September each year.
7. State agencies shall clear all suspense and clearing accounts to zero. If an individual clearing/suspense account balance exceeds \$7,500 at quarter end, a variance disclosure statement must be submitted in accordance with paragraph 11.e of this policy. The balance sheet accounts covered by this provision are as follows:

PRLN - Payroll Line Balancing Account  
LDCR - LDC Document Offset Account  
1013 - Cash In Transit To Treasury  
1583 - IG PV Billing Clrg  
1584 - IG PV Interagency Clearing  
1590 - CPPS Cash Funds Default  
1591 - CPPS Due From Default  
1592 - CPPS Payroll Default  
1593 - CPPS/LDC Clearing  
1594 - CPPS Distribution Edit Clrng  
1595 - F/A Disposition Clearing  
1596 - Interface Clearing  
1597 - DOA Billing Default  
1598 - COFRS Conversion Default  
1599 - Undistributed Charges – Other  
159A – F/A Buying/Owning Clearing  
2510 - Undistributed Receipts  
2520 - NSF Returned Checks

8. Physical counts of consumable inventories, fixed assets or accrual for compensated absences and depreciation are generally not required for quarterly financial reporting purposes. However, when in the judgment of a controller or chief financial officer, a sudden loss, known obsolescence or seasonal variation materially affects expenditures or an asset then an accounting adjustment during the quarterly period should be completed.
9. State agencies shall clear all funds and appropriation codes established for the purpose of clearing activity that should be properly recorded in another fund to zero. Examples are funds and appropriation codes established to record payroll activity prior to distribution to the appropriate fund where the expense was incurred.
10. State agencies shall correct all abnormal account balances. Credit balance expenditures and receivables, debit balance revenues and payables all have the impact of misstating an agency's financial position and should be corrected. All account balances should be properly recorded.
11. Reporting to the State Controller under this policy shall be met by the requirements listed below. These reporting requirements are in addition to other requirements as set forth in CRS 24-75-102, and 24-30-204(1).
  - a. COFRS standard report BDA24R and BDA01R provided to the State Controller and state agencies.
  - b. COFRS standard report BDA24R provided to the Office of State Planning and Budgeting (OSPB) and the Joint Budget Committee (JBC).
  - c. A modified version of COFRS standard report MCR01R containing information on statutory fund balances, as defined by the State Controller, provided to the State Controller, OSPB, JBC and all state agencies.
  - d. A quarterly report will be prepared by the State Controller highlighting significant trends, issues or developments. This report will be provided to the OSPB and JBC.

- e. On an exception basis, a variance disclosure statement will be prepared by a controller or chief financial officer explaining why compliance with CRS 24-30-204, and/or this policy/guidelines was not possible for the quarter reported thereon. This variance disclosure statement must be directed to the State Controller with a copy to the executive director, or president of the institution. Variance disclosure statements must be received in the State Controller's Office by the 25th of the month following the month end close.
- f. Based on a review of COFRS reports, department or institution controllers are encouraged to continue to provide department executive management with a financial summary highlighting significant trends, issues or developments.

In order to comply with this policy agencies must complete the above reporting requirements within 25 days after the quarter ends.

#### **5.4 Quarterly Reporting Procedures**

SCO will generate a series of diagnostic reports showing potential noncompliance conditions. The titles of the reports and the frequency at which they will be issued are shown in the table in Chapter 3 Section 3.21. Descriptions of the various reports are provided in Chapter 5, Section 1.

Agencies will have until the close of the quarter in which to review the reports and make the necessary adjusting entries in COFRS to correct the conditions. Agencies should make every effort to correct all abnormal account balances, out-of-balance conditions, underearning of revenue, or overexpenditures identified in the reports.

Diagnostic reports will be available for quarter close months (March, September, and December) on the day following calendar close and the Monday prior to fiscal quarter close. The reports should be available on INFOPAC by 11 a.m. Agencies should submit variance disclosure statements to their respective accounting specialist in the Field Accounting Services Team for material items that were not corrected and are not in compliance with the established guidelines. The agencies have until the 25th of the month following the quarter close to review the final quarter close diagnostic reports and where applicable, provide the variance disclosure statement to the State Controller's Office.

For each of the first three quarters, the State Controller prepares a report highlighting significant trends or financial conditions for the general fund and capital projects fund. This report is given to the Governor, OSPB and JBC. This report also includes significant problems or issues identified at the agency level that could have a material or significant impact at the statewide level.

At fiscal year end, the quarterly diagnostic reports will be available on INFOPAC as a tool for agencies to use to identify and correct problems. Agency variance disclosure statements are not required to be submitted to the State Controller for the fourth quarter. Please refer to Chapter 3, Section 3.21 for the availability of these reports during the year end closing process.

## CHAPTER 5: SECTION 5

### TABOR REPORTING

#### 6.1 Background

Article X, Section 20, the Taxpayer's Bill of Rights (TABOR), was added to the Colorado Constitution as a result of the passage of Amendment 1 in the November 1992 general election. The passage of Amendment 23 and Referendum A, amended it in the November 2000 general election. Other than Article X, Section 20 itself, the most pertinent legislation is CRS 24-77-101 to 106 which provides implementation guidance and clarifies many of the terms used in TABOR.

#### 6.2 TABOR District and Exclusions From the District

The District is defined by TABOR as "... the state or any local government, excluding enterprises." In addition to enterprises CRS 24-77-101(16)(b) also excludes any special purpose authority from the District.

Enterprises are designated in one of two ways. The first method is by statute and the second method is exclusive to Higher Education enterprises, and that is designation by the governing boards and review by the State Auditor. Even if an enterprise is designated by statute or Higher Education governing board, it still must annually clear a hurdle imposed on it by TABOR to be excluded from the District in that year. It must be a government-owned business authorized to issue its own revenue bonds and receiving under 10% of its annual revenue in grants from all Colorado state and local governments combined.

Statutorily designated enterprises are:

Name	Citation	Code	Funds
State Lottery	24-35-202(b)	TFA	503
Student Loan Program	23-3.1-103.5(1)(b)	GDA	501, 502, 511, 524, 526
Correctional Industries	17-24-104	CFA	507
		CFB	508
		CFC	506
State Fair Authority*	35-65-405(1)	BSF	510
State Nursing Homes	26-12-110	ILA-ILG	505
Clean Screen Authority	42-3-134	TCA	520
Statewide Tolling Authority*	43-4-804	HTA	534-535
CSOBA	23-3.1-205.5	GRA	512-515
Wildlife	33-1-103(9.5)(a)	PBA	410, 413, 418, 421-423, 428, 429, 433, 761, 861
Higher Education Auxiliaries	23-5-101.5	GFA-GMA	320-324

\*Note: The State Fair Authority did not qualify as an exempt enterprise in FY 2001-02 nor is it or the Statewide Tolling Authority expected to qualify in FY 2002-03 or FY 2003-04.

#### 6.3 Fiscal Year Spending is the Same As Non-Exempt Revenue

Fiscal Year Spending (FYS) is defined in paragraph (2)(e) of TABOR as "all district expenditures and reserve increases except, as to both, those for refunds made in the current or next fiscal year or those from gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, reserve transfers or expenditures, damage awards, or property sales."

A literal reading of the definition of FYS is confusing because it is defined as expenditures and reserve increases except for those from certain revenues. The definition mixes expenditures, revenues, reserve increases, reserve transfers, and reserve expenditures. Fortunately, the Colorado Supreme Court has defined reserves as the same as fund balance. Thus expenditures plus reserve increases (or less decreases) would equal revenues given the accounting equation. Logically, then FYS is the same as revenues except for those specifically excluded by TABOR.

Two further refinements are necessary. One is that once District revenue is exempt, it is always exempt. The second is that revenue should not be counted twice within the same District. Given this, earnings on exempt money is exempt, and transfers within the District are always exempt. However, money transferred from an exempt enterprise to another agency within the District would not be exempt, because it is the first time the money has entered the District. An example would be indirect revenue received by the Department of Revenue. Indirect revenue from the Gaming Division would be exempt from TABOR, while the same revenue received from the Lottery would be TABOR non-exempt. The reason is that the Gaming Division has already counted the Gaming revenue from which the indirect charge is paid for TABOR while the indirect charge revenue received from the Lottery had not been counted for TABOR, because the Lottery is an exempt enterprise.

#### **6.4 Differences Between the Long Bill & the State Controller's Office Reports**

The primary reason for the differences between how revenues are appropriated in the Long Bill and how the State Controller's Office reports them for TABOR is due to the Legislature's desire to appropriate funds where they are eventually spent rather than where they are first earned. Since COFRS uses the revenue source code for both accounting and budgeting purposes, a certain amount of confusion is unavoidable.

It is always the responsibility of the billing agency to assure the proper revenue source code is used in transactions between state agencies. For example, if a college is paying DPA for risk management charges, then it must inform DPA of which portion is from TABOR exempt enterprises (funds 320-324) so that DPA can record that portion as non-exempt (first recording in the District) and the balance as exempt.

#### **6.5 Great Outdoors Colorado**

Amendment 8 established the Great Outdoors Colorado Authority (GOCO) in the same November 1992 general election that established TABOR. Amendment 8 received substantially more votes than Amendment 1 (TABOR) did. Thus, the Colorado Supreme Court ruled that GOCO takes precedence over TABOR and that money the state receives from GOCO is exempt. Since exempt money retains its exemption, agencies need to be careful when using and accounting for GOCO money. For example, if the Division of Wildlife receives GOCO money and then passes it on to another agency, that money would retain its exemption even though Wildlife is a TABOR exempt enterprise and normally revenue received from Wildlife would have to be counted as non-exempt.

#### **6.6 Questions Regarding TABOR**

Questions about TABOR and whether or not certain revenue is exempt or non-exempt may be directed to the Reporting and Analysis section of the State Controller's Office.

## CHAPTER 5: SECTION 6

### ***REPORTING FOR FINANCIAL RESPONSIBILITY AND ACCOUNTABILITY ACT CRS 24-17-101 ET. SEQ***

#### **KEY DATES**

<b>December 31</b>	Statement of Compliance forms with attachments are due. One copy to the State Controller, one copy to the State Auditor.
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The Financial Responsibility and Accountability Act requires that each principal department and higher education institution file an annual written statement that their systems of internal accounting and administrative control are in compliance with the requirements of the Financial Responsibility and Accountability Act. The Statement of Compliance form, included with these procedures, was developed by the Management Systems Improvement Project Team as part of a statewide effort to improve evaluation of administrative controls including accounting controls.

The Statement of Compliance form should be completed for each statutory element (items a-e on the form). Examples of items that might be considered in the assessment process are listed after each element. We recognize that each department/institution has its own method for assessing its control systems. You are asked to attach a brief summary of the assessment process used and plans and schedules for correcting any weaknesses noted.

The Statement of Compliance form, with attachments, is due by **December 31**. Please send one copy of the form, with attachments, to the State Controller and one copy to the Office of the State Auditor. The State Controller's Office will provide the required information to the Governor's Office.

**DUE DECEMBER 31**

(Department/Higher Education Institution)

STATEMENT OF COMPLIANCE WITH THE STATE  
DEPARTMENT FINANCIAL RESPONSIBILITY AND ACCOUNTABILITY ACT  
CRS 24-17-101 et seq.

THIS AGENCY HAS REVIEWED THE REQUIRED COMPLIANCE ELEMENTS FROM THE FINANCIAL RESPONSIBILITY AND ACCOUNTABILITY ACT AS DESCRIBED BELOW. A SUMMARY OF THE ASSESSMENT PROCESS USED IS ENCLOSED.

- (a) A plan of organization that specifies such segregation of duties as may be necessary to assure the proper safeguarding of state assets. [Examples of items the agency might consider when determining compliance are: organizational chart, procedure manuals, assignment of personnel.]
- (b) Restrictions permitting access to state assets only by authorized persons in the performance of their assigned duties. [Examples of items the agency might consider when determining compliance are: security (physical and information systems), annual inventories, clearances/bonding of staff.]
- (c) Adequate authorization and record-keeping procedures to provide effective accounting control over state assets, liabilities, revenues, and expenditures. [Examples of items the agency might consider when determining compliance are: reviews of existing procedures, audits (internal and external), review of monthly expenditure reports by cost center directors, segregation of duties, procedure manuals.]
- (d) Personnel of quality and integrity commensurate with their assigned responsibilities. [Examples of items the agency might consider when determining compliance are: use of state classified personnel system, internal personnel departments, personnel policies and procedures manual (classified and exempt), annual performance evaluations, job descriptions, cross training of staff, continuous training of staff.]
- (e) An effective process of internal review and adjustment for changes in conditions. [Examples of items the agency might consider when determining compliance are: internal review of procedures by each department, internal audits, TQM or similar process, risk analysis in order to target problem areas, training on policy/procedural changes, communication of expectations to staff, system to follow-up on recommended changes (both external and internal recommendations).]

STATEMENT OF COMPLIANCE

The \_\_\_\_\_ has instituted and maintains systems of internal accounting and  
(Department/Higher Education Institution)

administrative control and \_\_\_\_\_ is \_\_\_\_\_ in substantial compliance with the requirements of the statute.  
\_\_\_\_\_ is not\*

\_\_\_ Summary of assessment process used is attached.

\_\_\_\_\_  
EXECUTIVE DIRECTOR/PRESIDENT

\_\_\_\_\_  
DATE

\* If not in substantial compliance, the statement shall further detail specific weaknesses known to exist, together with plans and schedules for correcting such weaknesses. Attach plan and schedules for correcting weaknesses to this Statement of Compliance.



## CHAPTER 5: SECTION 7

### UNCOMMITTED CASH RESERVES REPORTING

#### KEY DATES

August 8	Turnaround uncommitted cash reserves reports are mailed to agencies.
August 15	Due date for sending turnaround uncommitted cash reserves reports back to the SCO.
September 19	Uncommitted Cash Reserves Report due to OSPB and the JBC.

CRS 24-30-207 requires the State Controller to prepare a report showing the amount of uncommitted reserves credited to each of the State of Colorado's cash funds. This report is prepared in accordance with the statutory definitions and may not agree to financial reports prepared on the basis of generally accepted accounting principles (GAAP). The state auditor must audit the report. The report is to be delivered to the Office of State Planning and Budgeting and to the Joint Budget Committee on or before September 20 of each year.

#### 8.1 Cash Fund Defined

CRS 24-75-402(2)(b) defines "cash fund" as any fund, other than the state general fund and any federal fund, established by law for a specific program or purpose.

The balances of each fund are generally reported at the fund and agency level except that certain higher education funds have been combined to more accurately reflect the activity in those funds.

#### 8.2 Cash Funds Excluded

The following cash funds are specifically excluded from the cash reserves report:

- ♦ Any cash fund for which revenue is derived solely from fees, the amounts of which are established by the federal government;
- ♦ Any cash fund for which revenue is derived solely from fees set by the Colorado Supreme Court in the exercise of its exclusive authority to regulate the practice of law;
- ♦ Any cash fund for which revenue is derived solely from fees set by an enterprise, as defined in CRS 24-77-102(3) or a special purpose authority;
- ♦ Any cash fund that is established for capital construction;
- ♦ Any cash fund for which the reserve amounts are based on actuarial requirements;
- ♦ Any trust funds;
- ♦ Any cash fund with uncommitted reserves of less than \$50,000;
- ♦ The Petroleum Storage Tank Fund;
- ♦ The Hazardous Substance Response Fund;
- ♦ The Land and Water Management Fund;
- ♦ The Brand Inspection Fund;
- ♦ The Colorado State Fair Authority Cash Fund;
- ♦ The Highway Users' Tax Fund; and
- ♦ The State Highway Fund.
- ♦ The Workmens' Compensation Cash Fund;
- ♦ The Workmens' Compensation Cost Containment Fund;
- ♦ The Motorcycle License Fund; or

- ♦ Any cash fund used to single program if the program has been in existence less than two full fiscal years.

### 8.3 Fund Balance

Fund balance is the net of total assets and total liabilities in each fund as of fiscal year end.

### 8.4 Exempt Assets

Exempt assets are any long-term assets or non-monetary current assets held by the fund at fiscal year end. "Non-monetary" current assets are those that either cannot be converted to cash or are held with the intent of being used rather than converted to cash, including but not limited to consumable inventory and prepaid expenses.

### 8.5 Previously Appropriated Fund Balance

Previously appropriated fund balance is that portion of fund balance that has been appropriated for capital construction or other multi-year purposes. Funds to be transferred per a continuous appropriation in statute are considered to be a multi-year purpose and therefore should be included in the previously appropriated fund balance. However, reserve transfers mentioned in the Long Bill are not necessarily considered multi-year and will need to be evaluated on a case-by-case basis to determine whether they fit the description of previously appropriated fund balance.

### 8.6 Fee Revenue

Fee revenue means any moneys collected by an entity, except that fee revenue does not include:

- ♦ Any moneys collected from sources excluded from state fiscal year spending, as defined in CRS 24-77-102(17).
- ♦ Any moneys received through the imposition of penalties or fines or surcharges imposed on any person convicted of a crime;
- ♦ Any moneys received through the imposition of taxes;
- ♦ Any moneys received from charges or assessments, the amount of which is not determined by the entity;
- ♦ Any moneys received from gifts or donations;
- ♦ Any moneys received from local government grants or contracts;
- ♦ Any moneys received through direct transfers from another entity, enterprise, or a special purpose authority; or
- ♦ Any moneys received as interest or other investment income.

### 8.7 Non-Fee Fund Balance

Non-fee fund balance is calculated by subtracting any exempt assets and previously appropriated fund balance from the total fund balance and multiplying the result times the ratio of non-fee revenue to total revenue.

### 8.8 Uncommitted Reserve

Uncommitted reserve is calculated by subtracting any exempt assets and previously appropriated fund balance from the total fund balance and multiplying the result by the ratio of fee revenue to total revenue.

### 8.9 Target/Alternative Reserve

Target reserve is defined as 16.5 percent of fiscal year expenditures. In some cases, an alternative reserve is used when there is a reserve limit established by statute.

**8.10 Excess Uncommitted Reserve**

Excess uncommitted reserve is the amount by which the uncommitted reserve exceeds the target/alternative reserve.

**8.11 Turnaround Report/Variance Analysis Report**

The SCO will distribute turnaround reports to the agencies for any funds with uncommitted reserves greater than \$50,000 during the week following final close. Please fill in any information regarding previously appropriated fund balances and alternative reserve balances. The turnaround reports are due back to the SCO by August 15 .

During the audit of the Uncommitted Cash Reserves Report, the auditors will send out a variance analysis between the current and prior year. Agencies will be asked to explain significant variances.

The SCO will review and compile the agency turnaround reports, prepare the year-end uncommitted cash reserves report and reconcile the report to COFRS. The report is then delivered to OSPB and the JBC no later than **September 19** . The report will be posted to the SCO web site shortly thereafter.

